Amendments to the Specification:

Please replace the paragraph beginning on page 6, line 30 with the following rewritten paragraph:

-- With reference now to Fig. 2, there is illustrated a flowchart which is illustrative of an operating program, programmed in the CPU for processing the pictorial image information and trim information in accordance with the invention. The program begins with step 100. In step 110, the operator selects the picture image to be processed. As noted above, information may come via the network or the camera or other video source or a scanner which scans a hard copy document containing the pictorial information. The CPU may be programmed, as is commercially now available, to accept plural images for recording on a single receiver sheet wherein the images may be assembled and viewed on the computer screen in conjunction with an outline of a receiver sheet upon which the plurality of images are to be printed see (Fig. 13). In such a case, the program provides for selecting or identifying trimming information with respect to each of the pictorial images that are to be processed on a single receiver sheet, step 120. With the trim information identified for each pictorial image, the program in the CPU thereupon merges electronically the trim information with the picture image data for that particular picture, step 130. It is preferred to perform this merging or embedding of cutting instructions and or print-size data in the printed image, using a phase dispersion methodology as described in U.S. Patent No. 5,859,920, the contents of which are incorporated herein by reference. It will be understood that other methodologies may be used, the importance being that there is embedding of the trimming instructions or print-size data information so that it will be printed with the pictorial information that will allow automatic format-flexible cutting which is independent of the printing engine that prints the information of the pictorial information with the trimming instructions. The cutting information is placed into the pictorial image data during the digital pre-processing of each print. In step 140, a command is sent to the printer to print the picture image with the trim information hidden in the picture image. It will be understood, of course, that the pictorial image data with the embedded trim instructions may be sent to a printer via the network 19 in lieu of a printer that is dedicated to the CPU or alternatively, stored on an electronic storage medium and processed on another computer for printing.--

Please replace the paragraph beginning on page 12, line 32 with the following rewritten paragraph:

-- With reference now to the flowchart of Fig. 16, the cutting of a sheet containing plural pictorial images may be provided by placing the sheet on the cutting board 50, step 410. The camera 70 scans the entire page, step 420. The computer 75 is programmed to determine the number of the images on the page, and the locations of the centers and cut-lines. This determination is made by analyzing the image information of each pictorial image and interpreting the embedded information for the information relative to centers and cut-lines, step 430. The computer then makes a determination of the order for cutting of the pictorial images from the sheet. In an ordinary case where the images are presented in plural vertical columns, the selection may comprise having an order where images along one column are cut out before beginning a next column of images. In considering cut-lines, the embedded information relative to borders are considered and it is assumed that placement is such that there is no cutting across other image cut-lines. In determining a cut-line, the computer program may determine whether such cutting through other image cut-lines can be avoided, step 450. After determining the order of the images to cut and that such cutting can be made without cutting across other image cut-lines, the computer prioritizes or establishes a sequence of cut-lines, step 440, and operates the cutter to commence cutting of the page according to the determined sequence, step ~~450~~ 460. Each of the images may be cut in accordance with the description above relative to cutting of one image.--